

CDBG PROGRAM

RURAL AFFORDABLE HOUSING RFP

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

The Community Development Block Grant Program (CDBG) offers grants to Missouri communities to improve local facilities, address health and safety concerns, and develop a greater capacity for growth. The Rural Affordable Housing RFP (Request for Proposals) category is intended to make the development of affordable housing feasible in communities that have the need but are lacking conventional resources.

AUTHORIZATION

42 USC § 5301 et seq., 24 C.F.R. Part 570; and Missouri's "Consolidated Plan" submitted to the U.S. Department of Housing and Urban Development.

ELIGIBLE APPLICANTS

State CDBG funds are only available to cities and counties in non-entitlement areas (incorporated municipalities under 50,000 and counties under 200,000).

ELIGIBLE ACTIVITIES

Rural Affordable Housing funds can be used for rehabilitation of existing apartment complexes into senior or multi family housing, infrastructure, single - family construction, acquisition, and professional services, such as, appraisal and review appraisal services.

APPLICATION PROCESS

All applicants submitting a proposal are required to propose applications to MHDC Low Income Housing Tax Credit (LIHTC) Program.

The funding cycle is competitive, with a deadline of August 15.

Project proposals that achieve the following will receive priority:

- ✓ a partnership between a nonprofit and a conventional LIHTC developer
- ✓ clearly describe a need for CDBG assistance to close a financial gap for housing development in rural Missouri
- ✓ exist in areas where homes are cost burdened
- ✓ promote redevelopment and rehabilitation
- ✓ promotes historic preservation
- ✓ supports a local housing plan

- ✓ offers a mixed income development
- ✓ renovate existing housing such as building or apartment complex
- ✓ include amenities not customary in a project, such as child care, after-school study room with computer access, and employment counseling with computer access.
- ✓ consist of a development team with appropriate capacity to complete the project
- ✓ structure the use of CDBG funds to accomplish additional development and sustainability through the use of program income

Selection is accomplished by eliminating all proposals that do not substantiate a financial need for CDBG funds, eliminating proposals where affordable housing development is occurring as a result of the market, and evaluating the balance of the proposals based on the priorities listed above.

The department's three LIHTC housing priorities are:

- 1) Renovation of existing complexes
- 2) Single-family houses with homeownership option component
- 3) Historic Preservation projects

FUNDING LIMITS

The maximum amount any applicant can apply for is \$200,000.

SPECIAL PROGRAM REQUIREMENTS

All CDBG-funded projects must meet a national objective set forth by the U.S. Department of Housing and Urban Development (HUD). Project activities must show:

1. 100% low-to-moderate income (LMI) beneficiaries for rehabilitation or new construction activities, or
2. 51% low-to-moderate income (LMI) benefit of persons and families for infrastructure activities, or
3. Eliminates slum and blight with demolition activities.

In regard to 3 above, projects creating affordable housing from buildings that meet the definitions of slums and blight may apply under that national objective.

Acquisition, appraisal, and grant administration activities are the primary uses of funds by applicant cities and counties and their project developer.

CONTACT

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ADDITIONAL RESOURCES

Go to the department's home page at www.ded.mo.gov to obtain guidelines and forms for the CDBG Rural Affordable Housing Program as well as information regarding Missouri's many other economic development programs and policies.